

STATEMENT
OF
ANNUAL FINANCIAL AND OPERATING INFORMATION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

TOWN OF NEW WINDSOR
ORANGE COUNTY, NEW YORK

DATED: JUNE 20, 2016

**TOWN OF NEW WINDSOR
ORANGE COUNTY, NEW YORK**

Town of New Windsor Office Building
555 Union Avenue
New Windsor, NY 12553
845/563-4623

TOWN BOARD

George A. Green, Town Supervisor

Alice Biasotti
Eric Lundstrom
Patricia Y. Mullarkey
Andrew Regenbaum

John T. Finnegan, Town Comptroller
Deborah Green, Town Clerk
Michael Blythe, Town Attorney

* * *

MUNICIPAL ADVISOR

MUNISTAT SERVICES, INC.
Municipal Finance Advisory Service
12 Roosevelt Avenue
Port Jefferson Station, N.Y. 11776
(631) 331-8888

E-mail: info@munistat.com
Website: <http://www.munistat.com>

STATEMENT OF ANNUAL FINANCIAL AND OPERATING INFORMATION

TOWN OF NEW WINDSOR ORANGE COUNTY, NEW YORK

The material set forth herein, including the cover page, has been prepared by the Town of New Windsor, Orange County, New York (the "Town", the "County" and the "State", respectively) in connection with its obligation to prepare and submit such material in accordance with the Continuing Disclosure Undertakings and the Official Statements having been prepared in connection with the sale and issuance of the following outstanding bond issues.

\$3,000,000 Water Improvement Serial Bonds - 1996
\$4,000,000 Various Purposes Serial Bonds - 1998
\$6,300,000 Public Improvement Serial Bonds - 2001
\$3,920,000 Public Improvement Serial Bonds - 2004

TOWN OF NEW WINDSOR

There follows in this Statement a brief description of the Town, together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and expenditures and general and specific funds.

Description

The Town, with a land area of approximately 36 square miles and a population of approximately 25,395 is located in east central Orange County, immediately south of the City of Newburgh on the west bank of the Hudson River about 60 miles north of New York City. The Town is primarily a suburban residential area with commercial and industrial operations and some agriculture, the latter principally in the western portion of the Town.

Commercial facilities consist of small shopping centers and strip malls, variously including chain food stores, specialty stores, chain and non-chain retail stores, movie theater, restaurants, etc., typically found in communities. Bank branches of national, regional and local banks are located within the Town.

Residential development consist primarily of single family homes, condominiums and garden apartment complexes. Residents are employed in commercial, non-commercial, professional, government businesses and industries, located in Town, neighboring and surrounding communities. In addition, a significant number of residents commute to New York City and the metro area by car, bus and commuter train services.

Stewart International Airport ("Airport") located principally within the Town is operated under two 99 year leases. One from the New York State Department of Transportation to the Port Authority of New York and New Jersey for the Airport and Airport aviation properties. The other lease from the Town to First Columbia Corporation, provides for the development of lands adjacent to the Airport into an office/industrial complex. In 2012, the majority of this land reverted back to the Town for development. In addition substantial infrastructure upgrades linking the Airport to the New York State Thruway and Interstate 84 have been completed.

Electric and gas utilities service for the Town is provided by Central Hudson Gas & Electric Corp. Water service is provided by the Town's municipal water system primarily by the New York State Department of Environmental Protection Catskill Aqueduct. Sewer service and garbage collection is also provided by the Town's municipal services. Police protection is provided by the Town's police force consisting of approximately 40 full-time officers, plus staff. Fire protection is provided by the Town's three independent volunteer fire districts. Emergency medical services are provided by the Town's volunteer ambulance service district.

Rail transportation is provided by the Conrail and Metro North railroads. The New York State Thruway and Interstate Route 84 traverse the Town, with access via the Newburgh exits, just north of New Windsor. Other highways are U.S. Highway 9W, New York State Highways Routes 32, 94 and 207.

Government

The Town was established in 1763. Four independently governed school districts are located partially within the Town which rely on their own taxing powers granted by the State to raise revenues. The school districts use the Town's assessment roll as their basis for taxation of property located within the Town.

Subject to the provisions of the State Constitution, the Town operates pursuant to the Town Law, the Local Finance Law, other laws generally applicable to the Town, and any special laws applicable to the Town. Under such laws, there is no authority for the Town to have a charter, but pursuant to the Town Law and other laws generally applicable to home rule, the Town may from time to time adopt local laws.

The legislative power of the Town is vested in the Town Board, which consists of five members, including the Supervisor, who is the chief executive officer of the Town, elected for a term of two years. The four other members of the Town Board are elected to four-year terms, which terms are staggered such that two council members are elected every two years. All the Town Board members are elected at large and there is no limitation to the number of terms each may serve.

Additional Town officers are the Town Clerk (elected at large for a four year term), the Receiver of Taxes, who is responsible for the collection of taxes (elected at large for a four year term), the Superintendent of Highways (elected at large for a two year term), and the Assessor, the Town Attorney and the Comptroller, all of whom are appointed by the Town Board. Professional services for engineering, operation and maintenance of the Town's water and sewer systems are by annual appointment by the Town Board or by longer term contracts. Other professional services are retained by the Town Board as necessary or required.

Financial Organization

The Supervisor is the chief fiscal officer of the Town. The Comptroller is the accounting officer of the Town, and his duties include administration, direction and control of budget and insurance, accounts payable and receivables and payroll. The Comptroller is also responsible for drafting and preparing the budget and securing and administering State and Federal grants.

Employees

The Town provides services through approximately 126 full-time employees, 56 regular part-time, and 60 seasonal (summer) employees of whom the following full-time employees are represented by organized labor.

<u>Name of Union</u>	<u>Approximate Membership</u>	<u>Date Contract Expires</u>
Civil Service Employees Association	71	12-31-18
Patrolmen's Benevolent Association	40	12-31-18

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Characteristics

The Town is located in Orange County, New York, approximately 60 miles north of New York City along the westside of the Hudson River. It is within a few miles to Interstate 84, the New York State Thruway and Stewart International Airport. The Town is primarily a suburban residential community comprising approximately 36 square miles.

<u>Year</u>	<u>Town</u>	<u>Orange County</u>	<u>New York State</u>	<u>United States</u>
2011	24,655	374,293	19,523,202	311,718,857
2012	25,156	374,026	19,606,981	314,102,623
2013	25,228	374,958	19,691,032	316,427,395
2014	25,395	375,994	19,748,858	318,907,401
2015	N/A	377,647	19,795,791	321,418,820

Source: U.S.Census Bureau, Population Division and Annual Estimates of the Resident Population.

Income Data

	<u>Median Family Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2014^a</u>
Town	\$44,863	\$59,207	\$86,375	\$83,016
County	44,039	60,355	82,480	84,853
State	39,741	51,691	67,405	71,419
United States	-	50,046	62,982	65,443

	<u>Per Capita Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2014^a</u>
Town	\$15,843	\$22,806	\$31,652	\$31,845
County	15,198	21,597	28,944	30,561
State	16,501	23,389	30,948	32,829
United States	14,420	30,634	27,334	28,555

Source: United States Bureau of the Census

a. Note: Based on American Community Survey 5-Year Estimates (2010-2014)

Summary of Building Activity (Number of Building Permits Issued)

	<u>Residential</u>			<u>Comm. &</u>	<u>Total</u>
	<u>Single</u>	<u>Apt.</u>		<u>Ind.</u>	
	<u>Family</u>	<u>Complexes</u>	<u>Misc.</u>		
2011	92	0	464	164	720
2012	76	0	584	163	823
2013	83	1	538	223	845
2014	53	5	650	173	881
2015	39	9	604	216	868

Source: Town of New Windsor, Office of the Building and Zoning Inspector.

Selected Listing of Large Taxable Properties

<u>Name</u>	<u>Type</u>	<u>Approx. No Employees</u>
Verla International LTD	Manufacturing-Cosmetics	445
Precision Pipeline Solution.....	Service-Utility Infrastructure Svc.	350
Knapp Consultants Inc.....	Svc.-Recruiting & Human Resources	215
Coca-Cola Bottling Co. of New York, Inc.	Distribution – Beverages	200
LSI Lighting Solutions	Manufacturing – Lighting Fixtures	200
Metal Container Corp.	Manufacturing – Aluminum Cans	150
West Point Tours	Transportation-Buses, Charters & Rentals	150
Central Hudson Gas & Electric	Utilities/Energy – Provider	125
Production Resource Group LLC	Mfg. – Scenic & Theatrical Settings	125
Gallagher Transportation.....	Transportation - Bus Lines/Truck Sales, Leasing and Services	120

Source: Orange County Partnership

Unemployment Rate Statistics

Unemployment statistics are available for the Town as set forth below. The information set forth below with respect to the County and the State is included for information purposes only. It should not be implied from the inclusion of such data in this Statement that the Town is necessarily representative of the County or the State or vice versa.

<u>Annual Averages</u>	<u>Town of New Windsor</u>	<u>Orange County</u>	<u>New York State</u>
2011	7.9%	7.7%	8.2%
2012	8.1	7.9	8.3
2013	7.1	6.8	7.7
2014	5.7	5.5	6.3
2015	4.7	4.7	5.3
2016 (3 Month Average)	4.4	4.4	5.3

Source: Department of Labor, State of New York

INDEBTEDNESS OF THE TOWN

Computation of Debt Limit and Calculation of Net Debt Contracting Margin (As of June 20, 2016)

Fiscal Year Ending December 31	Assessed Valuation	State Equalization Rate	Full Valuation
2012.....	\$378,461,937	17.47%	\$2,166,353,389
2013.....	376,250,837	18.21	2,066,177,029
2014.....	378,413,586	19.28	1,962,726,068
2015.....	382,339,564	18.59	2,056,694,804
2016.....	383,591,227	18.55	<u>2,067,877,235</u>
Total Five Year Full Valuation			\$10,319,828,524
Average Five Year Full Valuation			2,063,965,705
Debt Limit - 7% of Average Full Valuation.....			144,477,599
Inclusions:			
Outstanding Bonds:			
General Town Purposes			\$2,082,250
Non-Excluded Sewer			943,200
Water Bonds			<u>957,112</u>
Sub-Total.....			3,982,562
Bond Anticipation Notes			<u>3,360,000</u>
Total Inclusions.....			7,342,562
Exclusions:			
Water Debt.....			4,232,112
Appropriations			<u>699,950</u>
Total Exclusions.....			<u>4,902,062</u>
Total Net Indebtedness.....			<u>2,440,500</u>
Net Debt Contracting Margin.....			<u>\$142,037,099</u>

a. Represents 1.689% of Debt Limit.

Debt Service Requirements - Outstanding Bonds

Fiscal Year Ending <u>December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$1,075,721	\$184,110	\$1,259,831
2017	900,854	140,160	1,041,014
2018	830,987	100,800	931,787
2019	600,000	63,863	663,863
2020	375,000	37,500	412,500
2021	<u>375,000</u>	<u>18,750</u>	<u>393,750</u>
	<u>\$4,157,562</u>	<u>\$545,183</u>	<u>\$4,702,745</u>

Details of Short-Term Indebtedness Outstanding

On February 1, 2012, The Town board approved the issuance of up to \$1,692,000 of bonds for sewer fund infrastructure costs; as well as up to \$578,000 for water infrastructure costs incurred as a result of the 2011 Hurricane Irene Disaster. On May 3, 2012, the Town issued NYS Environmental Facilities Corp Hurricane Emergency Loan Program (HELP) Note for \$1,000,000. Proceeds were used to reimburse the Town's Sewer and Water Funds in the amounts of \$425,000 and \$575,000, respectively, for Hurricane Irene costs. The Town does not intend to issue the balance of the approved authorization. Also, it is the Town's intent to redeem the outstanding balance of the EFC HELP Note in the amount of \$200,000 on the 2017 maturity date through budgetary appropriations.

On January 11, 2012, the Town Board approved an "intent bond" resolution for the Water Improvement Project. This project consists of drilling of wells, construction of a delivery system and reimbursement of exploratory expenditures. The Town Board has since authorized bond resolutions for various portions of the "Water Improvement Project", including, but not limited to the Butterhill (Moodna) Wells and the Kroll Well projects; of which, the Town has outstanding bond anticipation note issuances. As of the date of this Statement, it is the intent of the Town to redeem the outstanding issuances with a bond anticipation renewal note (as well as budgetary appropriations) in 2016; with the anticipation of then redeeming with long term bond proceeds in 2017.

Following is a schedule of outstanding Note issuances as of 06/20/2016:

<u>Original Date Issued</u>	<u>Purpose</u>	<u>Original Note Amount Issued</u>	<u>Note Issue Amount Outstanding As Of 06/20/16</u>	<u>Status</u>
03/15/12	Sewer Infrastructure Improvements & Costs – EFC HELP	\$ 425,000	\$ 85,000	To Redeem in full with Budgetary Appropriations at 2017 Maturity
03/15/12	Water Infrastructure Improvements & Costs – EFC HELP	575,000	115,000	To Redeem in full with Budgetary Appropriations at 2017 Maturity
12/30/14	Water Improvement Project – Kroll Well	1,200,000	1,200,000	Under Review to Redeem in Full or in Part with BAN Renewal at 12/30/2016 Maturity
01/15/15	Water Improvement Project – Butterhill Wells	1,460,000	1,460,000	Intend to Redeem with BAN Renewal at 12/30/2016 Maturity
12/30/15	Water Improvement Project – Butterhill Wells	500,000	<u>500,000</u>	Intend to Redeem with BAN Renewal at 12/30/2016 Maturity
Total Outstanding Note Issuances			<u>\$3,360,000</u>	

Anticipated Future Borrowings

The Town has no formal capital program. The Town has an infrastructure committee consisting of the Town Supervisor, the Town Attorney, the Engineer for the Town, the Operating Engineer for the Town's sewer and water facilities, the Town's Planning Board Chairman, and several others. The committee meets on a regular basis to review current plans, the status of current construction projects and the planning for future infrastructure needs.

The Town has been in the process of developing an independent source of water for the residents of the Town (Water Improvement Project) as well as expanding and improving on its existing waste water treatment plant facilities; including relocation of the effluent/outfall line. To date, the Town has existing bond authorizations for several such projects as well as short-term note issues outstanding. As of the date of this statement, it is the Town's intent to finance the below stated projects with short-term note issues. Upon maturity, the short-term notes are to be redeemed with grant funding (reimbursed to Town as expensed) as well as short/long-term debt issues. The Town has an agreement with the New York City Department of Environmental Protection (NYC DEP) to fund up to \$12.0 million of the Water Improvement Project construction costs.

The Town is also in the process of developing costs estimates and pursuing grant funding for various other planned infrastructure improvements.

The Town's current capital project timeline consists of, but is not limited to, the following:

<u>Project Description</u>	<u>Est. Cost</u>	<u>Estimated Start & End Dates</u>	<u>Anticipated Source of Funding</u>
Water Improvement Project			Initial Funding with Short-Term Note(s) to be Redeemed at Maturity with up to \$12 mil NYC DEP Grant Proceeds (funded on reimbursement basis) as well as Short-Term BAN Renewals(s)
• Butterhill Water Filtration Plant	\$13,887,500	Dec 2016 - Dec 2017	
• Riley Road Water Storage Tank	3,162,500	Oct 2016 - Oct 2017	
• Union Ave. Interconnect	302,500	Oct 2016 - Jul 2017	
• Express Dr. Interconnect	<u>281,600</u>	Oct 2016 - Jul 2017	
	<u>\$17,634,100</u>		
Jackson Ave. Reconstruction	\$ 2,251,000	June 2016 – Sept 2017	Initial Funding with Short-Term Note to be Redeemed at Maturity with 95% Federal & State Grant Funding (funded on reimbursement basis) and 5% Local Share
Lake Road Bridge	\$ 3,402,000	Spring 2019 (Construction)	Initial Funding with Short-Term Note to be Redeemed at Maturity with 95% Federal & State Grant Funding (funded on reimbursement basis) and 5% Local Share

The following is a schedule of anticipated borrowings, as of June 20, 2016:

<u>Type</u>	<u>Purpose</u>	<u>Amount</u>	<u>Status</u>
Short-Term BARN	Water Improvement Project:		
	• Kroll Well (Taxable)	\$ 1.14 mil	BAN Renewal at 12/30/16 Maturity
	• Butterhill Wells (Tax Exempt)	1.86 mil	BAN Renewal at 12/30/16 Maturity
Short-Term BAN	Water Improvement Project	10.00 mil	New Issue BAN in Dec 2016
Short-Term BAN	Jackson Ave Reconstruction	<u>2.00 mil</u>	New Issue BAN in Dec 2016
		<u>\$ 15.00 mil</u>	

Authorized but Unissued Indebtedness

As of the date of this Statement, the Town has the following authorizations for borrowing which have not been funded.

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>Amount</u> <u>Issued</u>	<u>Amount</u> <u>Unissued</u>	Items Marked "X" No Future Issues
02-01-12	Sewer Fund Infrastructure Improvements & Costs	\$ 1,692,000	\$ 425,000	\$ 1,267,000	X
02-01-12	Water Infrastructure Improvements & Costs	578,000	575,000	3,000	X
10-03-12	Highway Garage Renovation	1,000,000	700,000	300,000	X
11-07-12	Water Improvement Project – St. Anne's Well	1,000,000	890,000	110,000	X
12-05-12	STP Improvements	3,000,000	0	3,000,000	
08-07-13	Consolidated Water District Improvements	500,000	0	500,000	
07-02-14	FEMA Hurricane Irene Disaster Project – Butternut Drive	2,500,000	1,750,000	750,000	X
07-02-14	Water Improvement Project – Plum Point	700,000	700,000	0	N/A
07-16-14	STP Improvement Project – Belt Press	400,000	0	400,000	X
10-01-14	STP Improvement Project – Influent Structure Rehab	1,000,000	1,000,000	0	N/A
10-01-14	Water improvement Project – Butter Hill Wells	10,000,000	1,960,000	8,040,000	
11-05-14	Water improvement Project – Kroll Well	1,200,000	1,200,000	0	N/A
05-06-15	Replacement of Lake Road Bridge	400,000	0	400,000	
05-06-15	Relocation of WWTP Outfall	750,000	0	750,000	
06-03-15	Clarkview Drive Watermain Replacement Project	516,000	0	516,000	X
06-03-15	Lake Street and Express Drive Interconnect	3,702,000	0	3,702,000	
Total		<u>\$28,938,000</u>	<u>\$ 9,200,000</u>	<u>\$19,738,000</u>	

Trend of Outstanding Debt

	Fiscal Year Ending December 31:				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Outstanding End of Year:					
Subject to Debt Limit:					
Bonds.....	\$7,732,650	\$6,086,900	\$4,391,150	\$3,695,400	\$3,025,450
Bond Anticipation Notes.....	-	-	1,040,000	1,655,000	2,220,000
Capital Notes.....	-	-	-	-	-
Sub-Total	<u>\$7,732,650</u>	<u>\$6,086,900</u>	<u>\$5,431,150</u>	<u>\$5,350,400</u>	<u>\$5,245,450</u>
Not Subject to Debt Limit:					
Bonds.....	\$2,736,466	\$2,337,027	\$1,937,455	\$1,537,750	\$1,132,112
Bond Anticipation Notes.....	-	-	1,060,000	4,595,000	3,940,000
Capital Notes.....	-	-	-	-	-
Other Notes	-	-	-	-	-
Sub-Total	<u>\$2,736,466</u>	<u>\$2,337,027</u>	<u>\$2,997,455</u>	<u>\$ 6,132,750</u>	<u>\$ 5,072,112</u>
Total Debt Outstanding	<u>\$10,469,116</u>	<u>\$8,423,927</u>	<u>\$8,428,605</u>	<u>\$11,483,150</u>	<u>\$10,317,562</u>

Calculation of Estimated Overlapping and Underlying Indebtedness

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Percentage Applicable</u>	<u>Applicable Total Indebtedness</u>	<u>Applicable Net Indebtedness</u>
County of Orange	06-19-15	6.52%	\$17,333,746	\$15,131,290
Newburgh City S.D.	08-15-14	35.04	32,154,456	30,130,896
Washingtonville C.S.D.....	12-01-15	16.70	3,418,323	3,418,323
Cornwall C.S.D.	06-30-15	11.05	4,519,595	4,519,595
Valley C.S.D.....	06-30-15	0.46	73,048	73,048
Fire Districts (Est.)	12-31-14	Var.	<u>0</u>	<u>0</u>
Totals			<u>\$57,499,168</u>	<u>\$53,273,152</u>

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller or more recently published Statements.

Debt Ratios (As of June 20, 2016)

	<u>Amount</u>	<u>Per Capita^a</u>	<u>Percentage of Full Value^b</u>
Total Direct Debt	\$7,342,562	\$ 289	0.355%
Net Direct Debt.....	2,440,500	96	0.118
Total Direct & Applicable Total Overlapping Debt....	64,841,730	2,553	3.135
Net Direct & Applicable Net Overlapping Debt	55,713,652	2,193	2.694

a. The estimated population of the Town is 25,395 according to the 2014 U.S. Census.

b. The full valuation of taxable real property in the Town for 2015-2016 is \$2,067,877,235.

FINANCES OF THE TOWN

Financial Statements and Accounting Procedures

The Town maintains its financial records in accordance with the Uniform System of Accounts for Towns prescribed by the State Comptroller. The financial records of the Town are audited by independent accountants. The last such audit made available for public inspection covers the fiscal year ended December 31, 2015. A copy of such report is attached hereto as Appendix B. In addition, the financial affairs of the Town are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Town has complied with the requirements of various State and Federal statutes.

The Balance Sheets and Statements of Revenues, Expenditures and Changes in Fund Balances presented in Appendix A of this Statement are based on the audited Annual Financial Reports of the Town for the 2011-2015 fiscal years.

Fund Structure and Accounts

The Town utilizes fund accounting to record and report its various service activities. A fund represents both a legal and an accounting entity which segregates the transactions of specific programs in accordance with special regulations, restrictions or limitations.

There are three basic fund types: (1) governmental funds that are used to account for basic services and capital projects; (2) proprietary funds that account for operations of a commercial nature; and, (3) fiduciary funds that account for assets held in a trustee capacity.

The Town presently maintains the following governmental funds: General Funds, Capital Fund, Highway Fund, Water and Special Water Districts, Sewer and Special Sewer Districts and Non Major Funds (Garbage District Fund, and Ambulance District Fund). Fiduciary funds include Trust and Agency Funds. There are no proprietary funds.

Basis of Accounting

The Town's governmental funds are accounted for on a modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become susceptible to accrual - that is, when they become "measurable" and "available" to finance expenditures to the current period. Revenues are susceptible to accrual include real property taxes, intergovernmental revenues (State and Federal aid) and operating transfers.

Expenditures are generally recognized under the modified accrual basis of accounting that is when the related fund liability is incurred. Exceptions to this general rule are principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town's government-wide, proprietary, and fiduciary fund financial statements are accounted for on the accrual basis of accounting. Under the accrual basis, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales tax, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from other taxes are recorded when available. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Investment Policy

Pursuant to the statutes of the State of New York, the Town is permitted to temporarily invest moneys which are not required for immediate expenditures, with the exception of moneys, the investment of which, is otherwise provided for by law. Section 39 of the General Municipal Law (GML), requires each local government to adopt, by resolution, a comprehensive investment policy addressing the local government's operative policy and guidelines for the investing, monitoring and reporting of funds of the local government.

The Town's investment policy applies to all funds (monies and other financial resources available for investment on behalf of the Town or on behalf of any other entity or individual). The investment policy is intended to comply with GML Section 10 (Deposit of Public Moneys; Security) and GML Section 11 (Temporary Investments). The primary objectives, in priority order, are: (1) conform with all applicable federal, state and other legal requirements, (2) adequately safeguard principal, (3) provide sufficient liquidity requirements, and (4) obtain reasonable rate of return.

In accordance with GML Section 10, all deposits, including certificates of deposit and time deposits authorized by GML Section 11, in excess of FDIC coverage will be secured by eligible collateral; including pledge of securities, surety bond, letter of credit and direct placement program; and as provided by GML Section 11, invested in the following types of investments: special time deposits, certificates of deposit, obligations of the United States and New York State, obligations guaranteed by agencies of the United States, obligations issued pursuant to New York Local Finance Law Sections 24 and 25 with the approval of the NYS Comptroller, and obligations of the Town, but only with moneys in a reserve fund.

The Town Board shall review the investment policy on an annual basis and may amend the policy at any time. The Town's investment policy is publicly available on the Town's website.

Budgetary Procedures

The Supervisor also serves as the Budget Officer of the Town and, with the assistance of the Town Comptroller, is responsible for the initial formulation of the budget to be presented to the Town Clerk by September 30th of each year. The Town Comptroller distributes budget estimate forms to all department heads early in August of each year and then conducts such financial analysis and review as is necessary to substantiate the budget requests. Upon completion of this review, but prior to September 30th, when the report must be filed with the Town Clerk, the entire Town Board reviews the tentative budget. This review continues as the Board prepares its preliminary budget for public hearing. The preliminary budget is presented on a departmental basis by object of expense indicating the proposed budget, year-to-date expenses of the current budget, the departmental request and the Town Comptroller's recommendation. The budgets for the sewer district, highway funds and special district funds are presented in the same manner.

By October 5th, the Town Clerk must present the tentative budget to the Town Board, which then prepares the preliminary budget prior to the mandatory public hearing required to be held no later than the first Thursday after the general election of each year. Five days prior to such public hearing, notice of such public hearing must be published. Final adoption of the preliminary budget must be accomplished on or before November 20th. The budget is not subject to referendum.

The Town Board may, during the course of the year, make changes in the appropriations and other modifications of the budget as it deems necessary in accordance with the Town Law.

Financial Operations

The Supervisor functions as the chief fiscal officer as provided in Section 2 of the Local Finance Law; in this role, the Supervisor is responsible for the Town's accounting and financial reporting activities, which are delegated to and carried out by the Town Comptroller. In addition, the Supervisor is also the Town's budget officer and must therefore prepare the annual tentative budget for submission to the Town Board. Budgetary control during the year is the responsibility of the Town Comptroller. Pursuant to Section 30 of the Local Finance Law, the Supervisor has been authorized to issue or renew certain specific types of notes. As required by law, the Supervisor must execute an authorizing certificate which then becomes a matter of public record.

The Town Board, as a whole, serves as the finance board of the Town and is responsible for authorizing, by resolution, all material financial transactions such as operating and capital budgets and bonded debt.

Town finances are operated primarily through the General and Highway Funds and to a lesser extent through garbage, ambulance, various water and various sewer debt service districts. All real property taxes and most of the other Town revenues are credited to these funds. Current operating expenditures are paid from these funds subject to available appropriations. The Town also has special water and sewer districts, which are accounted for within separate funds. The primary sources of income for these districts comes from special assessments levied against district properties at the same time real estate taxes are levied. Capital projects and equipment purchases are accounted for in special capital projects funds. The Town observes a calendar year (January 1 through December 31) for operating and reporting purposes.

Revenues

The Town receives most of its revenues from real property taxes and assessments. A summary of such revenues and other financing sources for the five most recently completed fiscal years may be found in the Statements of Revenues, Expenditures and Changes in Fund Balance in Appendix A hereto.

Real Property Taxes

See "Real Property Tax Information", herein.

State Aid

The Town receives financial assistance from the State. If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid. Additionally, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in this year or future years, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments.

Based on the audited Financial Statements of the Town, the Town received approximately 5.74% of its total General Fund operating revenue from State and Federal aid in 2015. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and, in fact, the State has drastically reduced funding to municipalities and school districts in the last several years in order to balance its own budget.

Although the Town cannot predict at this time whether there will be any delays and/or reductions in State aid in the current year or in future fiscal years or whether there will be additional Federal Stimulus Act monies made available to pay State aid in future years, the Town may be able to mitigate the impact of any delays or reductions by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing.

The following table sets forth the percentage of the Town's General Fund revenue (excluding other financing sources) comprised of State and Federal aid for each of the fiscal years 2011 through 2015, inclusive and the budgeted amount for fiscal year 2016.

<u>Year Ended December 31:</u>	<u>Total General Fund Town Revenue</u>	<u>State & Federal Aid</u>	<u>State Aid To Revenues (%)</u>
2011	\$14,247,286	\$ 816,030	5.73%
2012	14,486,220	1,128,883	7.79
2013	18,605,453	843,193	4.53
2014	15,256,590	837,170	5.48
2015	16,025,432	920,403	5.74
2016 (Budgeted)	16,054,916	668,100	4.16

Expenditures

The major categories of expenditure for the Town are General Government Support, Public Safety, Transportation, Culture and Recreation, Employee Benefits and Debt Service. A summary of the expenditures for the five most recently completed fiscal years and the estimated expenditures for the current fiscal year may be found in Appendix A - Financial Information.

Employee Pension System

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS") or the State and Local Police and Fire Retirement System ("PFRS" and together with ERS, the "Retirement System"). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and Employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System.

The following table summarizes the retirement system tier levels currently in effect:

<u>Tier</u>	<u>System</u>	<u>Effective Dates (Hire Date)</u>	<u>Vesting (Years of Credited Service)</u>	<u>Employee Contribution Rate (Percent of Salary)</u>
1	ERS	Before July 1, 1973	5	0%
1	PFRS	Before July 31, 1973	5	0% (Non-Contributory)
2	ERS	July 1, 1973 – July 26, 1976	5	0%
2	PFRS	July 31, 1973 – June 30, 2009	5	0% (Non-Contributory)
3	ERS	July 27, 1976 – August 31, 1983	5	3% throughout 10 years of service, then 0%
3	PFRS	July 1, 2009 – January 8, 2010	5	0% (Non-Contributory)
4	ERS	September 1, 1983 – December 31, 2009	5	3% throughout 10 years of service, then 0%
5	ERS	January 1, 2010 – March 31, 2012	10	3% throughout employment
5	PFRS	January 9, 2010 – March 31, 2012	10	0% (Non-Contributory)
6	ERS	April 1, 2012 and After	10	3% - 6% variable based on annual Salary throughout employment
6	PFRS	April 1, 2012 and After	10	0% (Non-Contributory)

In New York State and Local Retirement System (NYSLRS) fiscal year 2017 (April 1, 2016 through March 31, 2017), the average contribution rate for the Employee's Retirement System (ERS) will decrease by 15% of payroll, from 18.2% to 15.5%. The average contribution rate for the Police and Fire Retirement System (PFRS) will decrease by about 2.0% of payroll; from 24.7% to 24.3%. Also, NYSLRS had lowered their assumed rate of return from 7.5% to 7.0% annually. The assets of the NYS Retirement Common Fund derive from three main sources; investments earnings, employer contributions and member contributions. Historically, the return on investments has provided the majority of the fund's income.

Pension reform legislation changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the Town. Under the previous method, the Town was not provided with required payment until after the budget was implemented. Under the reforms implemented, the employer contribution for a given fiscal year is based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Town is notified of and can include the actual cost of the employer contribution in its budget. Legislation also required a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible.

The annual pension payment due date is February 1 and permits the legislative body of a municipality to establish a retirement contribution reserve fund for the purpose of financing retirement contribution in the future. The New York State Retirement System has advised the Town that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount.

Spring 2013, the State and ERS approved a Stable Contribution Option ("SCO"), which modified its existing SCO adopted in 2010, that gives municipalities the ability to better manage the spikes in Actuarially Required Contribution rates ("ARC"). The plan allows municipalities to pay the SCO amount in lieu of the ARC amount. The primary purpose of the SCO plans is to reduce the volatility of future pensions ARC. However, although the pension contribution rates under this program would reduce near-term payments, it will require higher than normal contributions in later years. This Town has not participated in any of the amortization programs and does not intend to do so in the foreseeable future.

Most recently, the Town has changed accounting policies related to pensions by adopting GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, for the year ended December 31, 2015. GASB Statement 68 requires reporting entities to recognize their proportionate share of the net pension liability and operating statement activity related to changes in the collective pension liability. This means that reporting entities that contribute to the state retirement pension plan should now report a liability on their financial statements for their proportionate share of the net pension liability. The new standards change how pension plan liabilities are accounted for and disclosed in financial statements of public pensions and participating employers. The new standards do not affect or alter how public employee pensions are funded or how employer contribution rates are calculated.

Contributions to the Retirement Systems

<u>Fiscal Year</u> <u>Ending December 31</u>	<u>Employees</u> <u>Retirement System</u>	<u>Policemen's &</u> <u>Firemen's</u> <u>Retirement System</u>	<u>Total</u>
2012	\$ 699,029	\$ 766,128	\$1,465,157
2013	824,681	918,340	1,743,021
2014	1,044,717	1,118,710	2,163,427
2015	1,008,392	1,186,768	2,195,160
2016 (Budgeted)	1,015,516	968,536	1,984,052

Other Post Employment Benefits

The Town provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. Accounting rules now require governmental entities, such as the Town, to account for post-retirement health care benefits as its accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") described below requires such accounting.

GASB 45 and OPEB. OPEB refers to "other post-employment benefits," meaning benefits other than pension benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Before GASB 45, OPEB costs were generally accounted for and managed as current expenses in the year paid and were not reported as a liability on governmental financial statements.

GASB 45 requires municipalities and school districts to account for OPEB liabilities in the same manner as they already account for pension liabilities. It requires them to adopt the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB Statement No. 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") is determined for each municipality or school district. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality or school district contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town net OPEB obligation:

Annual OPEB Cost and Net OPEB Obligation

Annual required contribution (ARC)	\$ 3,026,061
Interest on net OPEB obligation.....	287,884
Less: Adjustments to ARC	0
Annual OPEB cost (expense)	3,313,945
Less: Contributions made	(212,231)
Increase in net OPEB obligation	3,101,714
Net OPEB obligation-beginning of year	16,742,945
Net OPEB obligation-end of year.....	<u>\$19,844,659</u>

Actuarial Valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are less than 200 members.

At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the Town had decided to continue funding the expenditure on a pay-as-you-go basis.

REAL PROPERTY TAX INFORMATION

Real Property Taxes

The Town derives a significant portion of its annual revenue through a direct real property tax.

Tables presenting the tax levy, by purpose, collection performance and tax rates can be found in Appendix A.

The following table sets forth the percentage of the Town's General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2011 through 2015 inclusive, and budgeted amounts for fiscal year 2016.

<u>Fiscal Year Ending December 31:</u>	<u>Total General Fund Revenue</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues (%)</u>
2011	\$14,247,286	\$6,243,970	43.83%
2012	14,486,220	6,350,419	43.84
2013	18,605,453	6,664,936	35.82
2014	15,256,590	6,662,438	43.67
2015	16,025,433	7,049,523	43.99
2016 (Budgeted)	16,054,916	7,032,993	43.81

Source: Audited financial statements 2011 through 2015 and adopted budgets for fiscal year 2016.

Tax Collection Procedure

Taxes are due January 1, payable without penalty to and including January 31. Penalties thereafter are imposed at an annual rate determined by the New York State Commissioner of Taxation and Finance. In April the tax roll is returned to the County and taxes are payable to the County Commissioner of Finance. The Town retains the total amount of Town, Highway, Special Districts, Fire Districts and delinquent water and sewer levies from the total collections and returns the balance plus the uncollected items to the County, which assumes responsibility and holds annual tax sales.

As far as the Town is concerned there are no uncollected taxes. Payment in full of all Town taxes is guaranteed by the County.

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the Laws of 2011 (the "Tax Levy Limit Law") on June 24, 2011, all the taxable real property within the Town had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Town and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law, as amended, imposes a tax levy limitation upon the Town for any fiscal year commencing on or after January 1, 2012, continuing through December 31, 2016 or later as provided in the Tax Levy Limit Law, without providing an exclusion for debt service on obligations issued by the Town. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town, without limitation as to rate or amount, may or may not be subject to statutory limitations, according to the formulas set forth in Tax Levy Limit Law. The actual effect of the Tax Levy Limit Law would depend upon the interpretation of such law by a court of competent jurisdiction in the event of a legal challenge.

The following is a brief summary of certain relevant provisions of Tax Levy Limit Law. The summary is not complete and the full text of the Tax Levy Limit Law should be read in order to understand the details and implications thereof.

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions. The Tax Levy Limit Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if it first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the Town or such indebtedness incurred after the effective date of the Tax Levy Limit Law. As such, there can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating (i) Article VIII, Section 12 of the State Constitution for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) Article VIII, Section 10 of the State Constitution by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) Article VIII, Section 2 of the State Constitution by limiting the pledge of its faith and credit by a municipality or school district for the payment of debt service on obligations issued by such municipality or school district.

Real Property Tax Rebate

Chapter 59 of the Laws of 2014 ("Chapter 59"), a newly adopted State budget bill includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government (such as the Town) must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Eligible homeowners do not need to do anything to receive the credit. The Tax Department will review eligibility data and calculate the credit for all qualifying taxing jurisdictions. In the fall of each of the program's three years (2014, 2015, 2016), the department will mail eligible taxpayers a single check that will be the total of the credits for each jurisdiction that is in compliance.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year (2016) of the program, the refundable personal income tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrates "three year savings and efficiencies (2017-2019) of at least one per cent per year (of the 2014 tax levy) from shared services, cooperation agreements and/or mergers or efficiencies".

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Law. The implications of this for future tax levies and for operations and services of the Town are uncertain at this time.

Selected Listing of Large Taxable Properties
2016 Assessment Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Central Hudson Gas & Electric.....	Utility	\$12,589,617
NY State DEC	Taxable State Owned Lands	7,021,810
WVR Real Estate	Retail Shopping Center	4,442,000
First Columbia.....	Office & Manufacturing Park	4,106,300
Knox Village Associates	Apartment Complex	2,614,400
LSI-Lightron.....	Manufacturing	1,831,300
VGR Associates	Retail Shopping Center	1,544,450
4 Acres LLC.....	Retail Shopping Center	1,538,900
Scenic Properties LLC	Manufacturing	1,520,800
Squire Village Properties	Apartment-Condos	1,327,055
New Windsor Properties	Apartments	1,324,900
New Windsor Business Park.....	Office Buildings	1,274,650
Oakwood Terrace	Co-operative Apartments	1,200,000
Global Companies, LLC	Oil Tank Farm	1,035,900
HZ Development Partners.....	Warehouses & 3 Houses	<u>1,016,200</u>
		<u>\$44,388,282^b</u>

a. Assessment Roll established in 2015 for levy and collection of taxes in 2016.

b. Represents 11.57% of the 2016 Taxable Assessed Valuation of the Town of \$383,591,227.

LITIGATION

In common with other towns, the Town from time to time receives notices of claim and is party to litigation. In the opinion of the Town, after consultation with its attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the Town has not asserted a substantial and adequate defense, nor which there is a reasonable likelihood that, if determined against the Town, would have an adverse material effect on the financial condition of the Town.

MUNICIPAL ADVISOR

Munistat Services, Inc. has assisted the Town as municipal advisor in certain matters with respect to the preparation of this statement.


ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of the Town Comptroller, Town of New Windsor, Town Hall, 555 Union Avenue, New Windsor, New York 12553, telephone number 845/563-4623, or from the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, and New York 11776, telephone number-631/331-8888.

Any statements in this Statement involving matters of opinion or estimates, whether or not expressly so stated are intended as such and not as representations of fact. No representation is made that any of such statements will be realized.

This Statement is submitted only in connection with the Town's "Undertaking to Provide Continuing Disclosure" pursuant to Rule 15c2-12 as promulgated by the Securities and Exchange Commission and may not be reproduced or used in whole or in part for any other purpose.

TOWN OF NEW WINDSOR, NEW YORK

By:  s/ GEORGE A. GREEN
Supervisor and Chief Fiscal Officer

June 20, 2016

TOWN OF NEW WINDSOR

APPENDIX A

FINANCIAL INFORMATION

Statement of Revenues, Expenditures and Fund Balances
General Fund

Fiscal Year Ending December 31:

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues:					
Real Property Taxes	\$ 6,243,970	\$ 6,350,419	\$ 6,664,936	\$ 6,662,438	\$ 7,049,523
Real Property Tax Items	33,100	31,000	35,500	31,400	31,800
Non-Property Taxes	4,082,744	4,289,965	4,389,253	4,414,906	4,473,227
Departmental Income	867,716	688,279	876,931	871,277	908,249
Use of Money and Property	311,435	302,114	329,025	765,755	633,685
Licenses & Permits	159,606	113,059	274,533	130,418	174,948
Fines & Forfeitures	965,052	966,829	878,896	913,417	892,665
Sale of Property and Compensation for Loss	83,311	163,962	3,721,535	164,473	31,759
Miscellaneous	161,316	109,875	127,342	125,336	85,873
Interfund Revenues	523,006	341,835	464,309	340,000	823,300
State and Federal Aid	816,030	1,128,883	843,193	837,170	920,403
Total Revenues	<u>14,247,286</u>	<u>14,486,220</u>	<u>18,605,453</u>	<u>15,256,590</u>	<u>16,025,432</u>
Expenditures:					
General Government Support	3,168,481	3,335,268	3,817,100	3,884,758	3,886,256
Public Safety	5,190,277	5,290,571	5,551,792	5,724,645	5,997,226
Transportation	514,983	368,578	299,068	311,915	299,933
Economic Assistance		41,181	47,936	171,653	178,691
Culture and Recreation	573,306	584,105	431,034	520,888	474,296
Home and Community Services	227,312	232,019	346,599	337,332	272,018
Employee Benefits	3,248,802	3,506,443	4,049,718	4,258,619	4,371,313
Debt Service	154,101				
Total Expenditures	<u>13,077,262</u>	<u>13,358,165</u>	<u>14,543,247</u>	<u>15,209,810</u>	<u>15,479,733</u>
Excess (Deficit) Revenues Over Expenditures	1,170,024	1,128,055	4,062,206	46,780	545,699
Other Sources & Uses:					
Interfund Transfers In	107,000	620,116	350,691	417,730	22,282
Interfund Transfers Out	(465,389)	(840,631)	(1,556,559)	(457,495)	(419,760)
Total Other Sources & Uses	<u>(358,389)</u>	<u>(220,515)</u>	<u>(1,205,868)</u>	<u>(39,765)</u>	<u>(397,478)</u>
Excess (Deficiency) of Revenues & Other Sources Over Expenditures & Other Uses	811,635	907,540	2,856,338	7,015	148,221
Prior Period Adjustment					
Fund Balance Beginning of Year	<u>776,812</u>	<u>1,588,447</u>	<u>2,495,987</u>	<u>5,352,325</u>	<u>5,359,340</u>
Fund Balance End of Year	<u>\$ 1,588,447</u>	<u>\$ 2,495,987</u>	<u>\$ 5,352,325</u>	<u>\$ 5,359,340</u>	<u>\$ 5,507,561</u>

Source: Audited Annual Financial Reports of the Town (2011-2015).

NOTE: This Schedule NOT audited.

Statement of Revenues, Expenditures and Fund Balances
Highway Fund

	Fiscal Year Ending December 31:				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues:					
Real Property Taxes	\$ 3,262,027	\$ 3,476,103	\$ 3,605,479	\$ 3,611,095	\$ 3,684,915
Intergovernmental Charges	13,810	13,959	13,959	13,959	13,959
Use of Money and Property	9,022	7,343	6,569	4,082	2,957
Sale of Property & Compensation for Loss	21,760	44,119	42,617	36,239	64,725
Miscellaneous	5,420	61,677	5,680	13,826	7,851
Interfund Revenues	505,625	114,050	140,650	85,812	85,352
State Aid and Federal Aid	<u>164,398</u>	<u>439,301</u>	<u>192,903</u>	<u>228,406</u>	<u>237,412</u>
Total Revenues	<u>3,982,062</u>	<u>4,156,552</u>	<u>4,007,857</u>	<u>3,993,419</u>	<u>4,097,171</u>
Expenditures:					
Transportation	2,256,988	1,862,053	2,415,411	2,297,961	2,433,569
Employee Benefits	812,395	847,201	956,306	991,179	1,113,596
Debt Service	<u>65,359</u>				
Total Expenditures	<u>3,134,742</u>	<u>2,709,254</u>	<u>3,371,717</u>	<u>3,289,140</u>	<u>3,547,165</u>
Excess (Deficiency) of Revenues over Expenditures	847,320	1,447,298	636,140	704,279	550,006
Other Sources & Uses:					
Interfund Transfers In	9,600	14,632	270,411	78,544	0
Interfund Transfers Out	<u>(848,870)</u>	<u>(923,154)</u>	<u>(1,543,939)</u>	<u>(719,891)</u>	<u>(605,761)</u>
Total Other Sources & Uses	<u>(839,270)</u>	<u>(908,522)</u>	<u>(1,273,528)</u>	<u>(641,347)</u>	<u>(605,761)</u>
Excess (Deficiency) of Revenues & Other Sources Over Expenditures & Other Uses	8,050	538,776	(637,388)	62,932	(55,755)
Prior Period Adjustment					
Fund Balance Beginning of Year	<u>914,514</u>	<u>922,564</u>	<u>1,461,340</u>	<u>823,952</u>	<u>886,884</u>
Fund Balance End of Year	<u>\$ 922,564</u>	<u>\$ 1,461,340</u>	<u>\$ 823,952</u>	<u>\$ 886,884</u>	<u>\$ 831,129</u>

Source: Audited Annual Financial Reports of the Town (2011-2015).

NOTE: This Schedule NOT audited.

Statement of Revenues, Expenditures and Fund Balances
Sewer Fund

	Fiscal Year Ending December 31:				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues:					
Real Property Taxes	\$ 653,935	\$ 648,378	\$ 221,273	\$ 225,120	\$ 192,128
Real Property Tax Items	8,530				
Departmental Income	2,069,989	2,291,004	2,283,881	2,387,272	2,420,929
Intergovernmental Charges	53,249	55,777	84,469	58,009	134,645
Use of Money and Property	6,930	5,404	4,638	4,060	3,496
Miscellaneous	975	15,746	900	79,929	2,092
Sale of Property & Compensation for Loss		234,495	100,597		
State and Federal Aid		160,619	371,215		
	<u>2,793,608</u>	<u>3,411,423</u>	<u>3,066,973</u>	<u>2,754,390</u>	<u>2,753,290</u>
Total Revenues					
Expenditures:					
Home and Community Services	2,104,589	2,075,489	2,391,610	1,967,841	2,283,912
Debt Service	5,418				
	<u>2,110,007</u>	<u>2,075,489</u>	<u>2,391,610</u>	<u>1,967,841</u>	<u>2,283,912</u>
Total Expenditures					
Other Sources & Uses:					
Proceeds of Obligation		425,000			
Interfund Transfers In	106,783	109,591	106,337	106,284	853,059
Interfund Transfers Out	(921,304)	(950,806)	(611,960)	(1,331,640)	(1,415,381)
Total Other Sources & Uses	<u>(814,521)</u>	<u>(416,215)</u>	<u>(505,623)</u>	<u>(1,225,356)</u>	<u>(562,322)</u>
Excess (Deficiency) of Revenues & Other Sources Over Expenditures & Other Uses	(130,920)	919,719	169,740	(438,807)	(92,944)
Fund Balance Beginning of Year	<u>2,919,776</u>	<u>2,788,856</u>	<u>3,708,575</u>	<u>3,878,315</u>	<u>3,439,508</u>
Fund Balance End of Year	<u>\$ 2,788,856</u>	<u>\$ 3,708,575</u>	<u>\$ 3,878,315</u>	<u>\$ 3,439,508</u>	<u>\$ 3,346,564</u>

Source: Audited Annual Financial Reports of the Town (2011-2015).

NOTE: This Schedule NOT audited.

Statement of Revenues, Expenditures and Fund Balances
Water Fund

	Fiscal Year Ending December 31:				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues:					
Real Property Taxes	\$ 1,122,747	\$ 1,115,761	\$ 1,217,160	\$ 1,179,473	\$ 1,064,015
Departmental Income	4,543,280	5,010,363	5,398,646	5,796,650	5,841,996
Real Property Tax Items					
Non Property Tax Items	6,452				
Use of Money and Property	11,542	4,405	3,691	3,750	3,337
Sale of Property & Compensation for Loss	28,774	11,580	18,046	615	20,309
Miscellaneous	75,000	61,406	3,423	12,370	6,902
State and Federal Aid		103,489	72,669		
	<u>5,787,795</u>	<u>6,307,004</u>	<u>6,713,635</u>	<u>6,992,858</u>	<u>6,936,559</u>
Total Revenues					
Expenditures:					
General Government Support				7,327	5,548
Home and Community Services	5,357,981	4,413,868	4,389,385	4,474,304	5,037,450
Employee Benefits	390,342	399,919	418,399	457,708	431,490
Capital Outlay					
Debt Service	5,418				
Interfund Transfers					
	<u>5,753,741</u>	<u>4,813,787</u>	<u>4,807,784</u>	<u>4,939,339</u>	<u>5,474,488</u>
Total Expenditures					
Other Sources & Uses:					
Proceeds of Obligations		575,000			
Interfund Transfers In	1,264,769	1,215,793	756,715	1,270,705	1,089,252
Interfund Transfers Out	(2,156,225)	(2,537,267)	(1,585,509)	(2,397,728)	(2,381,132)
Total Other Sources & Uses	<u>(891,456)</u>	<u>(746,474)</u>	<u>(828,794)</u>	<u>(1,127,023)</u>	<u>(1,291,880)</u>
Excess (Deficiency) of Revenues & Other Sources Over Expenditures & Other Uses	(857,402)	746,743	1,077,057	926,496	170,191
Prior Period Adjustment					
Fund Balance Beginning of Year	<u>3,686,769</u>	<u>2,829,367</u>	<u>3,576,110</u>	<u>4,653,167</u>	<u>5,579,663</u>
Fund Balance End of Year	<u>\$ 2,829,367</u>	<u>\$ 3,576,110</u>	<u>\$ 4,653,167</u>	<u>\$ 5,579,663</u>	<u>\$ 5,749,854</u>

Source: Audited Annual Financial Reports of the Town (2011-2015).

NOTE: This Schedule NOT audited.

Statement of Revenues, Expenditures and Fund Balances
Refuse and Garbage District

	Fiscal Year Ending December 31:				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues:					
Real Property Taxes	\$ 2,083,758	\$ 2,141,576	\$ 2,140,877	\$ 2,140,633	\$ 2,255,062
Departmental Income	253,022	243,996	236,556	237,993	232,218
Use of Money and Property	4,783	4,235	3,714	2,785	1,987
Sale of Property & Compensation for Loss	18,231	3,440	122	3,000	
Miscellaneous	2,651	5,941	1,555	1,789	11,057
State and Federal Aid		18,561			
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Revenues	<u>2,362,445</u>	<u>2,417,749</u>	<u>2,382,824</u>	<u>2,386,200</u>	<u>2,500,324</u>
Expenditures:					
General Government Support					
Health	367,380	370,859	369,697	376,936	389,241
Home and Community Services	1,356,363	1,274,734	1,515,148	1,322,983	1,377,261
Employee Benefits	438,258	461,358	519,325	582,670	585,134
Debt Service	30,678				
Operating Transfers		30,677	135,195	147,531	44,433
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u>2,192,679</u>	<u>2,137,628</u>	<u>2,539,365</u>	<u>2,430,120</u>	<u>2,396,069</u>
Excess (Deficiency) of Revenues over Expenditures	169,766	280,121	(156,541)	(43,920)	104,255
Prior Period Adjustment					
Fund Balance Beginning of Year	<u>649,827</u>	<u>819,593</u>	<u>1,099,714</u>	<u>943,173</u>	<u>899,253</u>
Fund Balance End of Year	<u>\$ 819,593</u>	<u>\$ 1,099,714</u>	<u>\$ 943,173</u>	<u>\$ 899,253</u>	<u>\$ 1,003,508</u>

Source: Audited Annual Financial Reports of the Town (2011-2015).

NOTE: This Schedule NOT audited.

Budget Summaries - Fiscal Year Ending December 31, 2016

	<u>General</u>	<u>Highway</u>	<u>Sewer</u>	<u>Water</u>	<u>Refuse</u>
Revenues:					
Real Property Taxes	\$ 7,032,993	\$ 3,879,412	\$	\$	\$ 1,913,793
Real Property Tax Items	263,300				
Non-Property Taxes	4,195,200				
Departmental Income	814,900	14,000	2,581,200	6,244,389	
Intergovernmental Charges			60,200		
Use of Money and Property	708,300	2,500	2,000	3,100	
Licenses & Permits	127,500				
Fines & Forfeitures	910,000				
Sale of Property & Compensation for Loss	120,000	11,000			100
Miscellaneous	252,200	80,000			251,300
Interfund Items	440,000	90,000		50,000	
State Aid	668,100	157,000			
Federal Aid	9,500				
Interfund Transfers	512,923	814	136,038	895,163	30,407
Appropriated Fund Balance					
Total Revenues	\$ 16,054,916	\$ 4,234,726	\$ 2,779,438	\$ 7,192,652	\$ 2,195,600
Expenditures:					
General Government Support	\$ 3,687,496	\$	\$	\$	\$
Public Safety	5,887,950				
Transportation	319,500	2,394,400			
Economic Assistance	46,800				
Culture and Recreation	734,600				
Home and Community Services	287,100		2,365,000	5,570,700	1,452,700
Employee Benefits	4,663,584	1,246,055		489,702	698,211
Debt Service	427,886	594,271	221,038	387,816	44,689
Interfund Transfers			193,400	744,434	
Total Expenditures	\$ 16,054,916	\$ 4,234,726	\$ 2,779,438	\$ 7,192,652	\$ 2,195,600

Source: 2016 Budget Adopted by the Town Board.

Tax Levy and Collection Record

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Town Tax	\$ 6,417,424	\$ 6,700,566	\$ 6,665,155	\$ 7,041,384	\$ 7,025,933
Highway Tax	3,515,816	3,624,923	3,612,942	3,680,518	3,875,729
Special Districts:					
Water Districts	1,127,554	1,220,721	1,179,473	1,064,036	1,045,191
Sewer Districts	653,426	221,351	225,121	192,134	206,883
Ambulance and BDL Districts	447,988	471,137	572,631	663,695	740,217
Garbage Districts	1,770,687	1,766,799	1,761,432	1,850,975	1,913,798
Fire Districts	2,035,534	2,062,187	2,116,223	2,181,888	2,206,171
County and State Taxes	7,029,877	7,163,705	7,414,414	7,821,275	7,913,124
Reassessed					
School District Taxes	1,265,334	909,308	814,425	980,931	866,653
Relevied Items	682,966	817,784	887,677	856,765	895,630
Omitted Tax Total	<u>16,833</u>	<u>12,664</u>	<u>33,335</u>	<u>23,152</u>	<u>19,085</u>
Total Tax Levy	24,963,439	24,971,145	25,282,828	26,356,753	26,708,414
Adjustments	<u>186,087</u>	<u>83,967</u>	<u>32,452</u>		
Net Tax Levy	\$ 25,149,526	\$ 25,055,112	\$ 25,315,280	\$ 26,356,753	\$ 26,708,414
Amount Collected:	\$ 21,851,082	\$ 22,388,015	\$ 22,572,474	\$ 23,708,627	\$ 25,252,705
Retained by Town	\$ 16,403,020	\$ 16,715,511	\$ 16,835,309	\$ 17,293,649	\$ 17,622,847
Balance to County	\$ 5,446,853	\$ 5,672,656	\$ 5,737,331	\$ 7,457,683	\$ 7,602,406

Tax Rates Per \$1,000 of Assessed Valuation (\$)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
County and State	18.98	19.51	20.09	20.97	21.14
General Town and Highway	26.16	27.42	27.16	28.05	28.42
Water Districts	Var	Var	Var	Var	Var
Sewer Districts	Var	Var	Var	Var	Var
New Windsor Garbage	11.81	11.80	11.76	12.36	12.77
Quassaick Fire District	11.36	11.45	11.42	11.75	11.86
Rural Fire District	N/A	N/A	N/A	N/A	N/A
Salisbury Mills Fire District	6.91	7.10	7.40	7.55	7.61
Vails Gate Fire District	3.39	3.47	3.59	3.65	3.67
New Windsor Ambulance	0.93	0.94	0.93	0.98	1.05

TOWN OF NEW WINDSOR

APPENDIX B

**AUDITED FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2014**